

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Municipal Administration and Urban Development Department – Hyderabad Metro Rail Limited – Nomination of Principal Secretary to Government, MA&UD Department as Director on the Board of M/s. Maytas Metro Private Limited, Joint Venture Company of the Concessionaire against “**Golden Share**” – Orders - Issued.

MUNICIPAL ADMINISTRATION AND URBAN DEVELOPMENT (H1) DEPARTMENT

G.O.Ms.No. 771
2008.

S Dated the 19th November,

Read the following:-

1. G.O.Ms.No.557, Municipal Administration and Urban Development Department, dated 8.8.2008.
2. From the Managing Director, Hyderabad Metro Rail Limited, Letter No.158/MD/HMR/2008, dated 8.9.2008.

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ORDER:

In the reference 1st read above, Government have issued orders approving the proposal for extension of Corridor-III (Shilparamam – Habsiguda) by another 4.77 km. up to Nagole and for location of the MRTS Depot at Nagole; the Draft Concession Agreement (DCA) for the Project; and accepting the Bid of M/s Nava Bharat led consortium (Nava Bharat Ventures Limited + Maytas Infra Limited + Italian-Thai Development PLC + IL&FS) as the Developer and Concessionaire for the Hyderabad Metro Rail (HMR) Project. Further, Government have authorised the Ex-Officio Principal Secretary to Government, MA&UD Department to take further action on the above and to issue Letter of Award (LoA) to M/s.Nava Bharat led consortium (M/s.Nava Bharat Ventures Ltd + M/s. Maytas Infra Ltd. + M/s. Italian-Thai Development PLC + M/s. IL&FS) and for executing the Concession Agreement on behalf of the Government.

2. In the reference 2nd read above, the Managing Director, Hyderabad Metro Rail Limited, has reported that in accordance with the orders issued in G.O. Ms. No. 557, MA &UD (H1) Dept., dated 8.08.2008, Letter of Award (LoA) was issued to M/s. Nava Bharat Ventures Ltd., led Consortium for the project vide Letter No.131/MD/HMR/2008, dated 08.08.2008. The selected bidder has incorporated M/s.Maytas Metro Pvt Ltd., Joint Venture Company (JVC) as the Concessionaire to execute the Agreement with Government within 45 days of receipt of LoA, as stipulated. Further, according to clause No 5.4 of the CA, the Concessionaire shall execute a Shareholders Agreement (SHA) and shall issue and allot to Government one non-transferable Equity Share of the Company (the “**Golden Share**”) which share shall confer the right to veto in the Board of Directors of the Company or the General Meeting thereof on “reserve matters”. According to Clause 5.4.3 of CA “the Golden Share shall entitle the Government to nominate a person of its choice for appointment as a non-retiring Director on the Board of the JVC, and upon such nomination, the Concessionaire shall appoint such person as Director in accordance with the Applicable Laws”. Further, according to Clause 3.2 of SHA the said amount will be released in 2 installments of Rs.125cr. each upon the investment of 33.33% and 66.66% of the total project cost respectively by the JVC. As per the project completion mile stones, GoAP is expected to invest in the JVC the 1st installment in July 2011 and the 2nd installment in February 2013. According to Clause 5.2.1 of SHA in addition to the Golden Share, Government shall have the right to nominate such number of Directors as is proportionate to its share holding in the JVC, provided that the Government shall always have the right to nominate one such Director if its Equity Shareholding exceeds 5% (five percent) of the equity share capital.

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3. The Managing Director, Hyderabad Metro Rail Limited has also reported that there is urgent need to immediately nominate Government representative to the Board of the Concessionaire Company under the provisions of the "Golden Share" to protect the interests of the Government. Therefore, he has requested the Government to nominate one Government nominee as Director on the Board of M/s. Maytas Metro Private Ltd., JVC of the Concessionaire against "Golden Share" for the present. The second Director can be nominated at a later date, as and when Government invests the required amount in the Equity share capital of the JVC.

4. Government, after careful consideration of the matter hereby nominate the Principal Secretary to Government, Municipal Administration and Urban Development Department as Director on the Board of M/s. Maytas Metro Private Ltd., JVC of the Concessionaire against "Golden Share".

5. The Managing Director, Hyderabad Metro Rail Limited is directed to take further action on the above keeping in view the interest of the Government and for ensuring smooth execution of the Project as expeditiously as possible.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

Dr.C.V.S.K.SARMA,
PRINCIPAL SECRETARY TO GOVERNMENT.

To
The Principal Secretary to Government,
Municipal Administration and Urban Development Department.

The Principal Secretary to Govt., (R&E)
Finance Department, A.P., Secretariat, Hyderabad and
Director, Hyderabad Metro Rail Limited,

The Managing Director,
Hyderabad Metro Rail Limited.
Metro Rail Bhavan, Saifabad, Hyderabad.

The Managing Director,
Hyderabad Metro Water Supply and Sewerage Board &
Director, Hyderabad Metro Rail Ltd., Hyderabad.

Copy to:

The Advisor to Government, MA&UD Department.

The PS to Special Secretary to Chief Minister.

The PS to Minister(MA&UD).

The PS to Chief Secretary to Government,

The PS to Principal Secretary to Government, MA&UD Department,

The PS to E.O., Principal Secretary to Government, MA&UD Department.

The PS to Secretary to Government, MA&UD Department.
SF/SC.

// FORWARDED :: BY ORDER //

SECTION OFFICER